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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations: financing of the United Nations peacekeeping operations

Financing of the United Nations Logistics Base at Brindisi

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 1999 to 30 June 2000. The General Assembly, by its resolution 53/236 of 8 June 1999, approved the cost estimates of $7,456,500 for the same period.

By the same resolution, the General Assembly decided to apply the unencumbered balance of $1,373,600 for the period from 1 July 1997 to 30 June 1998 to the resources required for the period from 1 July 1999 to 30 June 2000 and to prorate the balance of $6,082,900 among the individual active peacekeeping operation budgets to meet the financing requirements of the Logistics Base for the period from 1 July 1999 to 30 June 2000. These amounts are reflected in the respective performance reports.

Expenditures for the period totalled $7,026,000, resulting in an unencumbered balance of $430,500. The unencumbered balance resulted mainly from civilian personnel costs and operational requirements.

The action to be taken by the General Assembly in connection with the financing of the Logistics Base is set out in paragraph 19 of the present report.

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I. Introduction

1. The budget for the financing of the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 1999 to 30 June 2000 was set out in the report of the Secretary-General dated 29 January 1999 (A/53/815) and amounted to $7,783,800. It provided for a civilian establishment of 20 international staff (10 Professional and 10 Field Service) and 83 locally recruited staff. It also provided for maintenance of premises, spare parts for various types of equipment, contractual services, transport, logistics and electronic support for the Base. The Secretary-General proposed that the expenditures for the period be prorated among the individual active peacekeeping operation budgets rather than appropriated separately.

2. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 29 of its report of 1 April 1999 (A/53/895/Add.8), recommended that the General Assembly approve the budget for the Base, after adjustment for the reduction of $327,300 in respect of general temporary assistance. The Committee also recommended that, after applying the unencumbered balance of $1,373,600 for the period from 1 July 1997 to 30 June 1998, the resulting balance be prorated among the individual active peacekeeping budgets to meet the financing requirements of the Logistics Base for the period from 1 July 1999 to 30 June 2000.

3. By its resolution 53/236 of 8 June 1999, the General Assembly approved the cost estimates in the amount of $7,456,500 for the period from 1 July 1999 to 30 June 2000. The Assembly also decided to apply the unencumbered balance of $1,373,600 for the period from 1 July 1997 to 30 June 1998 to the resources required for the period from 1 July 1999 to 30 June 2000 and to prorate the balance of $6,082,900 among the individual active peacekeeping operation budgets to meet the financing requirements of the Base for the period from 1 July 1999 to 30 June 2000. A breakdown of these resources is shown in table 1.

Table 1
Amounts provided by peacekeeping operations
(United States dollars)

Peacekeeping mission	*Amount*
United Nations Peacekeeping Force in Cyprus (UNFICYP)	445 268
United Nations Disengagement Observer Force (UNDOF)	344 900
United Nations Interim Force in Lebanon (UNIFIL)	1 452 597
United Nations Observer Mission in Angola (MONUA)	72 387
United Nations Iraq-Kuwait Observation Mission (UNIKOM)	526 779
United Nations Mission in the Central African Republic (MINURCA)	325 435
United Nations Mission for the Referendum in Western Sahara (MINURSO)	508 530
United Nations Civilian Police Mission in Haiti (MIPONUH)	181 879
United Nations Observer Mission in Georgia (UNOMIG)	302 320
United Nations Mission of Observers in Tajikistan (UNMOT)	182 487
United Nations Mission in Bosnia and Herzegovina (UNMIBH)	1 738 493
United Nations Preventive Deployment Force (UNPREDEP)	1 825
Total	**6 082 900**

II. Implementation of the budget

4. By its resolution 53/236, the General Assembly authorized a civilian establishment consisting of 20 international (10 Professional and 10 Field Service) and 83 locally recruited staff. During the year under review, there was an average vacancy rate of 18 per cent among the international staff as a result of delays in recruitment and assignment of staff on temporary duty or reassignment to other missions. This situation caused significant strain on the remaining personnel and the administration of the Logistics Base.

5. Despite the above-mentioned constraints, the Logistics Base was able to achieve many of the objectives budgeted for and outlined in its operational plan for the period under review. It demonstrated its rapid deployment capability by providing the best service possible to newly established peacekeeping missions and also enhanced its logistics support to existing missions by taking action in a timely fashion. It handled 551 outgoing shipments in support of various missions, agencies and other non-Secretariat entities and the Field Administration and Logistics Division (FALD) of the Department of Peacekeeping Operations of the United Nations Secretariat. These shipments, valued at $98,768,688 and weighing 10,641,963 kilograms, represent four times the value of outgoing shipments for the prior period. The shipments comprised equipment valued at $49,399,722 transferred from the Field Administration and Logistics Division reserve at the Logistics Base and equipment valued at $49,368,966 trans-shipped via the Logistics Base.

6. A total of 2,130 incoming shipments valued at $36,007,690 and weighing 3,268,018 kilograms were also processed. These incoming shipments were made up of equipment valued at $17,143,393 from peacekeeping missions, other agencies and the Field Administration and Logistics Division, as well as equipment from local and international vendors valued at $18,863,757. In this connection, a total of 1,038 receiving and inspection reports were completed: 132 in respect of mission transfers and 906 in respect of local and international purchases.

7. Significant progress was made in inventory verification and the update of information contained in the Field Assets Control System (FACS), resulting in a reconciled inventory of assets in Brindisi valued at $44,849,000 on 30 June 2000. The disposal of surplus assets was carried out through write-off action and sales. The non-expendable property written off, consisting mostly of obsolete items, had an inventory value of $4,995,480.

8. The Base continued its task of maintaining two mission start-up kits, refurbishing, maintaining and storing serviceable assets from liquidating missions, as well as preserving FALD reserve equipment, including vehicles and generators. The contents of the start-up kits were used during the year for support of the newly established missions: the United Nations Interim Administration Mission in Kosovo (UNMIK), the United Nations Mission in East Timor (UNAMET) and the United Nations Mission in Sierra Leone (UNAMSIL). Preservation activity was somewhat curtailed owing to the demand by new missions for these items. In contrast, the level of refurbishment activities at the Logistics Base increased considerably. These included refurbishment of 700 generators, refrigerated containers, one rapidly deployable telecommunications shelter, ablution and kitchen units, pumps and water purification units as well as prefabricated accommodations and storage units. The refurbished items were subsequently fielded to various missions. Refurbished ex-

United Nations Mission in Bosnia and Herzegovina (UNMIBH) telephone exchange equipment were later fielded to the United Nations Interim Force in Lebanon (UNIFIL). The United Nations Mission for the Referendum in Western Sahara (MINURSO) and the United Nations Peace-Building Support Office in the Central African Republic (BONUCA). In addition, 460 pieces of specialized transport and engineering equipment were refurbished and redistributed to the United Nations Peacekeeping Force in Cyprus (UNFICYP), the United Nations Disengagement Observer Force (UNDOF), UNMIK, UNAMSIL, the United Nations Transitional Administration in East Timor (UNTAET), the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) and the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991.

9. Storage facilities were provided for used assets valued at $8,407,339 from three liquidating missions, namely, the United Nations Mission in the Central African Republic (MINURCA), the United Nations Observer Mission in Angola (MONUA) and the United Nations Mission of Observers in Tajikistan (UNMOT).

10. The objective of improving the level of communication and electronic data-processing support to peacekeeping missions was also achieved. During the period under review, the communications hub provided a variety of services to a total of 27 United Nations operations worldwide. Efforts have been ongoing to upgrade, integrate and expand various voice, video and data services to new and existing missions, agencies and United Nations Headquarters by means of the United Nations voice network, the World Food Programme (WFP) network and the wide area network (WAN). In order to accomplish this, services of four additional leased lines were secured, and two additional antennae were installed and commissioned, one in October 1999 and the other in February 2000. The new 9.3-metre antenna provides greater capacity/transmitting power to facilitate satellite connections to the Atlantic Ocean Region global beam, while the 7.3-metre C-Band antenna carries traffic on the Indian Ocean Region western hemisphere beam.

11. The planned year 2000 (Y2K) upgrades were successfully implemented at the United Nations Logistics Base. All equipment in operation at the satellite hub was checked, upgraded or replaced as necessary. A new billing system was installed and the operating software for the United Nations Logistics Base telephone exchange was standardized. As required, connection and monitoring of videoconferencing facilities were also provided.

12. The global United Nations email system is maintained via the Logistics Base's resources and facilities. Currently, email messages generated within the United Nations email system are routed to at least 39 different mail domain locations. The system was upgraded during the year by transition to Lotus Notes. Lotus Notes was also implemented as the platform for the various modules of the field mission logistics system (FMLS).

13. The Logistics Base provided facilities and technical support for a total of 12 training courses that were organized in cooperation with FALD during the period from November 1999 through June 2000. The courses covered logistics, communications, electronic data processing and finance and included 198 participants from various peacekeeping operations, and United Nations offices as well as staff of the Logistics Base.

14. In addition to the foregoing, the Logistics Base undertook various activities that were financed from the budgets of recipient missions. This included the performance of pre-delivery inspections on 800 vehicles and the modification of 600 of those vehicles for UNMIK, support to air operations on behalf of other missions, mainly UNMIK, MONUC and UNAMSIL and refurbishment of equipment from MONUA.

15. Support to air operations included the disbursement of daily subsistence allowance to crew members, arrangements for refuelling, and provision of funds for operations in the event of an emergency diversion. The United Nations Logistics Base assisted with the tasking of a total of eight aircraft, resulting in the disbursement of $2,971,177 on behalf of UNMIK, MONUC and UNAMSIL and the Organization for Security and Cooperation in Europe (OSCE). OSCE was charged for hire and fuel cost on a percentage basis for the movement of cargo as and when space was available and for one complete flight made for it on 16 October 1999. The reimbursement of expenses relating to support provided to OSCE has been included as miscellaneous income.

16. By paragraph 9 of its resolution 52/1 B, the General Assembly approved the resourcing policy whereby provision is included in liquidation budgets for the cost of repair, refurbishment and preservation of equipment equal to 30 per cent of the total depreciated value of the equipment to be transferred to the Logistics Base. As at 30 June 2000, a balance of $940,972 remained from the resources provided by MONUA in 1999/2000 ($583,738) and MONUA, the United Nations Preventive Deployment Force (UNPREDEP) and the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) in 1998/1999 ($3,330,247). Owing to the increase in the flow of work from UNAMSIL and MONUC, in particular, as well as staffing constraints, it was not possible to undertake additional projects that would have utilized these funds more fully.

III. Financial performance report for the period from 1 July 1999 to 30 June 2000

17. As indicated in table 2, from the apportionment of $7,456,500 for the financing of the Logistics Base for the period from 1 July 1999 to 30 June 2000, expenditures amounted to $7,026,000, including $1,871,000 in unliquidated obligations. The resulting unencumbered balance represents approximately 5.7 per cent of the amount apportioned. Annex I to the present report contains a summary of the financial performance information for the period. Interest income for the reporting period amounted to $289,000, and miscellaneous income amounted to $340,000.

Table 2
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Civilian personnel	4 220.1	3 993.0	227.1
Operational requirements	3 196.4	2 990.3	206.1
Other programmes[b]	40.0	42.7	(2.7)
Gross requirements	**7 456.5**	**7 026.0**	**430.5**
Voluntary contributions in kind (budgeted)	-	-	-
Voluntary contributions in kind (non-budgeted)	-	-	-
Total resources	**7 456.5**	**7 026.0**	**430.5**

[a] Including an amount of $1,871,000 in unliquidated obligations.
[b] Excluding personnel.

18. Information on the deployment of civilian personnel during the reporting period is given in table 3 and annex III.

Table 3
Authorized staffing, incumbency and vacancy rates for the period from 1 July 1999 to 30 June 2000

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
International staff	20	17	18
Local staff	83	82	1

IV. Action to be taken by the General Assembly at its fifty-fifth session

19. **The action to be taken by the General Assembly in connection with the financing of the United Nations Logistics Base is a decision to apply the unencumbered balance of $430,500, interest income of $289,000 and miscellaneous income of $340,000 ($1,059,500 in total) to the resources required for the period from 1 July 2001 to 30 June 2002.**

Annex I

Financial performance report for the period from 1 July 1999 to 30 June 2000: summary statement

(Thousands of United States dollars)

Category of expenditure	*(1)* *Apportionment*[a]	*(2)* *Non-recurrent expenditures*	*(3)* *Total expenditures (inclusive of non-recurrent expenditures)*	*(4) = (1-3)* *Variance*
I. Civilian personnel				
International and local staff	4 220.1	-	3 993.0	227.1
Total, category I	**4 220.1**	**-**	**3 993.0**	**227.1**
II. Operational requirements				
1. Premises/accommodations	834.8	235.2	769.0	65.8
2. Transport operations	602.7	305.2	485.0	117.7
3. Communications	390.9	90.4	366.6	24.3
4. Other equipment	665.8	289.0	535.0	130.8
5. Supplies and services	657.2	90.6	791.2	(134.0)
6. Air and surface freight	45.0	-	43.5	1.5
Total, category II	**3 196.4**	**1 010.4**	**2 990.3**	**206.1**
III. Other programmes				
Training programmes	40.0	-	42.7	(2.7)
Total, category III	**40.0**	**-**	**42.7**	**(2.7)**
Gross requirements, categories I-III	7 456.5	1 010.4	7 026.0	430.5
IV. Voluntary contributions in kind (budgeted)	-	-	-	-
V. Voluntary contributions in kind (non-budgeted)	-	-	-	-
Total	**7 456.5**	**1 010.4**	**7 026.0**	**430.5**

[a] Based on financing arrangements set out in paragraph 9 of General Assembly resolution 53/236.

Annex II

Supplementary information on significant variances

Civilian personnel

Apportionment: $4,220,100; expenditure: $3,993,000; variance: $227,100

1. The unutilized balance of $227,100 was due mainly to an average vacancy rate of 18 per cent among the international staff and fewer trips undertaken on official travel. The vacancy rate was due to delays in recruitment of replacement staff.

Operational requirements

Apportionment: $3,196,400; expenditure: $2,990,300; variance: $206,100

2. The unutilized balance of $206,100 was due to lower actual requirements amounting to $340,100 under premises/accommodations ($65,800), transport operations ($117,700), communications ($24,300), other equipment ($130,800) and freight ($1,500) offset by additional requirements for miscellaneous services and supplies ($134,000).

Transport operations

Apportionment: $602,700; expenditure: $485,000; variance: $117,700

3. The unutilized balance under this heading was due primarily to a change in the equipment purchased and at lower actual costs as well as the fact that use of amounts budgeted for periodic testing of generators was pre-empted by the transfer of those units to newly established missions. In addition, the actual cost for vehicle insurance was lower than anticipated. The balances for these items were partially offset by the purchase of special wheel balancing equipment, under workshop equipment, which was an immediate operational requirement.

Other equipment

Apportionment: $665,800; expenditure: $535,000; variance: $130,800

4. The unutilized balance under this heading resulted primarily from changes in requirements for electronic data processing and miscellaneous equipment, as well as lower actual requirements for spare parts, repairs and maintenance due to write-off of unserviceable equipment. Some equipment budgeted to improve workshop facilities were not purchased, as an investigation of the market showed it would be more cost-effective to continue the use of outside contractors for some repairs.

Supplies and services

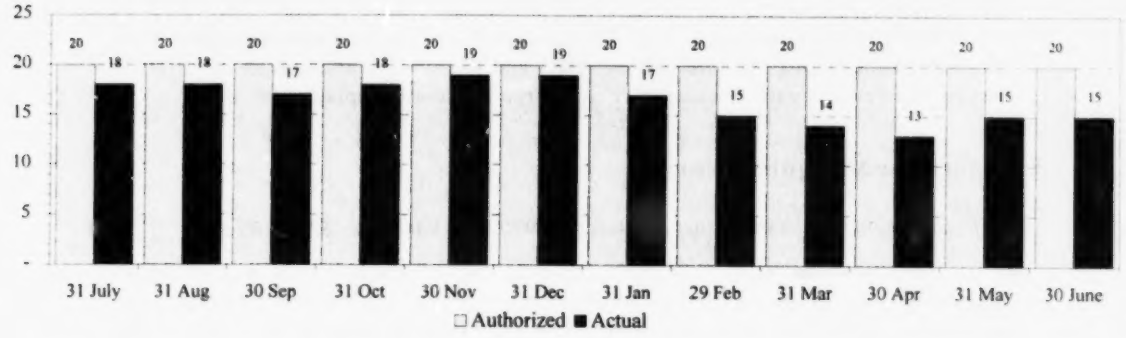
Apportionment: $657,200; expenditure: $791,200; variance: ($134,000)

5. The additional requirements under this heading were due primarily to loss on exchange and the purchase of protective clothing and equipment as well as bar code labels. These costs were partially offset by an unutilized balance under contractual services for the maintenance of audio/video equipment.

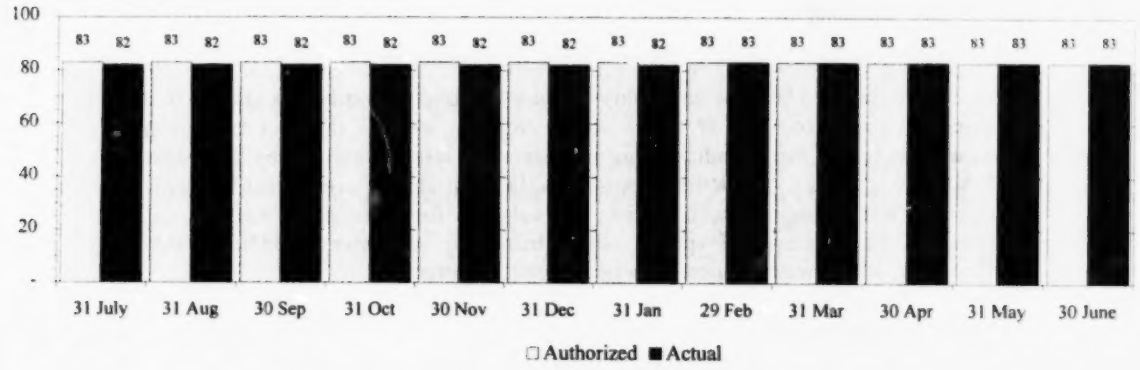
Annex III

Planned and actual deployment of personnel for the period from 1 July 1999 to 30 June 2000

1. International staff



2. Local staff



Annex IV

Apportionment and expenditure for the period from 1 July 1999 to 30 June 2000